

SCHEDULES

SCHEDULE 5

BUILDING SOCIETIES AND DEPOSIT-TAKERS

Deposit-takers

- 5 (1) Section 479 (interest paid on deposits with banks etc.) shall cease to have effect.
(2) This paragraph shall apply as regards interest paid or credited on or after 6th April 1991.
- 6 (1) Section 480 (deposits becoming or ceasing to be composite rate deposits) shall cease to have effect.
(2) This paragraph shall apply as regards any time falling on or after 6th April 1991.
- 7 (1) The following sections shall be inserted immediately before section 481—

“480A Relevant deposits: deduction of tax from interest payments

- (1) Any deposit-taker making a payment of interest in respect of a relevant deposit shall, on making the payment, deduct out of it a sum representing the amount of income tax on it for the year of assessment in which the payment is made.
- (2) Any payment of interest out of which an amount is deductible under subsection (1) above shall be a relevant payment for the purposes of Schedule 16 whether or not the deposit-taker making the payment is resident in the United Kingdom.
- (3) Schedule 16 shall apply in relation to any payment which is a relevant payment by virtue of subsection (2) above—
- (a) with the substitution for any reference to a company of a reference to a deposit-taker,
 - (b) as if paragraph 5 applied only in relation to payments received by the deposit-taker and falling to be taken into account in computing his income chargeable to corporation tax, and
 - (c) as if in paragraph 7 the reference to section 7(2) included a reference to sections 11(3) and 349(1).
- (4) In relation to any deposit-taker who is not a company, Schedule 16 shall have effect as if—
- (a) paragraph 5 were omitted, and
 - (b) references to accounting periods were references to periods for which the deposit-taker makes up his accounts.
- (5) For the purposes of this section, crediting interest shall be treated as paying it.

Status: This is the original version (as it was originally enacted).

480B Relevant deposits: exception from section 480A

- (1) The Board may by regulations provide that section 480A(1) shall not apply as regards a payment of interest if such conditions as may be prescribed by the regulations are fulfilled.
- (2) In particular, the regulations may include—
 - (a) provision for a certificate to be supplied to the effect that the person beneficially entitled to a payment is unlikely to be liable to pay any amount by way of income tax for the year of assessment in which the payment is made;
 - (b) provision for the certificate to be supplied by that person or such other person as may be prescribed by the regulations;
 - (c) provision about the time when, and the manner in which, a certificate is to be supplied;
 - (d) provision about the form and contents of a certificate.
- (3) Any provision included under subsection (2)(d) above may allow the Board to make requirements, in such manner as they see fit, as to the matters there mentioned.
- (4) For the purposes of this section, crediting interest shall be treated as paying it.

480C Relevant deposits: computation of tax on interest

Notwithstanding anything in sections 64, 66 and 67, income tax chargeable under Case III of Schedule D on interest in respect of a relevant deposit shall be computed on the full amount of the income arising in the year of assessment.”

- (2) This paragraph shall apply as regards interest paid or credited on or after 6th April 1991.
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- (1) Section 481 (definitions of relevant deposit etc.) shall be amended as follows.
 - (2) The following subsection shall be inserted after subsection (1)—

“(1A) In this section “the relevant provisions” also means sections 480A and 480C.”
 - (3) In subsection (2) the following shall be inserted after paragraph (c)—

“(ca) any local authority;”

 and paragraphs (d) and (e) shall be omitted.
 - (4) In subsection (6) after the word “sections” there shall be inserted the words “480A, 480C”.
 - (5) Sub-paragraph (3) above shall apply as regards interest paid or credited on or after 6th April 1991.
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- (1) Section 482 (supplementary provisions) shall be amended as follows.
 - (2) In subsection (6), in paragraph (b) of the definition of “qualifying certificate of deposit” for the words “less than seven days” there shall be substituted the words “more than five years”.

Status: This is the original version (as it was originally enacted).

- (3) In subsection (6), the following paragraph shall be substituted for paragraph (a) of the definition of “qualifying time deposit”—
- “(a) require repayment of the deposit at a specified time falling before the end of the period of five years beginning with the date on which the deposit is made;”.
- (4) In subsection (11) the following shall be inserted after paragraph (a)—
- “(aa) with respect to the furnishing of information by depositors or deposit-takers, including, in the case of deposit-takers, the inspection of books, documents and other records on behalf of the Board; and”.
- (5) The following subsection shall be inserted after subsection (11)—
- “(11A) In subsection (11)(aa) above the reference to depositors is to persons who are appropriate persons (within the meaning given by subsection (6) above) in relation to deposits.”
- (6) Sub-paragraphs (2) and (3) above shall apply as regards interest paid or credited on or after 6th April 1991.